

# MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting  
Lansing, Michigan  
November 16, 2011

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Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met at the Aeronautics Building in Lansing, Michigan, on Wednesday, November 16, 2011, commencing at the hour of approximately 10:00 a.m.

## **Members Present**

Russ Kavalhuna, Chair  
J. David VanderVeen, Vice Chair  
Sidney Adams, Commissioner  
James Collins, Commissioner  
Pete Kamarainen, Commissioner  
Scott Heather, Designee – MDNRE  
Dave Brickey, Legal Counsel  
Mike Trout, Director

## **Staff Present**

Dave Baker  
Tara Ball  
Neal Barncard  
Randy Coller  
Michelle Duncan  
Jennifer Forbes  
Tera Fricke  
Rick Hammond  
Leanne Hengesbach  
Chip Kraus  
Pauline Misjak  
Mark Noel  
John Orban  
Ralph Sims  
Linn Smith  
Lorraine White  
Brett Whitmore

## **Members Absent**

Dan Atkinson, Designee – MSP  
Robert Johnston, Designee – DMVA  
Laura Mester – MDOT

## **Also Present**

Dick Acker, Clare Municipal  
Airport/MAAE  
Kelly Bartlett, DMB Office of Governmental  
Affairs  
Janet Foran, MDOT Communications  
Eric Jaroch, Roscommon County  
Kelly Jost, C & S  
James Koslosky, Gerald R. Ford International  
Airport  
John Strehl, Antrim County

## **I. OPENING REMARKS**

The November 16, 2011 Michigan Aeronautics Meeting was called to order by Chairman Russ Kavalhuna at 10:04 a.m. Roll call was taken; Commissioners Atkinson, Johnson, and Mester were absent.



Chairman Kavalhuna briefly spoke of the September meeting, which was held in Grand Rapids; he also mentioned working with the MAAE and the interesting presentation from one of the lunch speakers. The commission appreciates the interaction.

## II. COMMISSION BUSINESS

A. Chairman Kavalhuna asked if there were any changes to the minutes of the September 14, 2011 meeting. There were none. He entertained a motion to adopt the minutes. Moved by Vice Chair VanderVeen and seconded by Commissioner Adams to adopt the minutes. The motion was approved unanimously.

B. Chairman Kavalhuna asked Mr. David Baker to present the 15 airport contracts.

1. Ann Arbor Municipal Airport, Ann Arbor
2. W.K. Kellogg Airport, Battle Creek
3. James Clements Airport, Bay City
4. Beaver Island Airport, Beaver Island

Chairman Kavalhuna indicated that this particular project just recently changed, concerning the dollar amount. He asked Mr. Baker for some background information as to the change.

The airport previously lengthened the runway, which requires a new runway protection zone. The airport approached the property owner in 2003 to purchase the land needed. The airport and the property owner entered into negotiation that was not consistent with the federal rules that governed this sort of transaction. When the Office of Aeronautics discovered what was happening, we halted the negotiations, as they weren't standard and wouldn't be approved by the State or Federal Government.

At that time, the airport entered into the correct procedures, obtained the property appraisal, which was disagreed on by the property owner. The owner then refused to sell the property. The airport went into condemnation proceedings. The condemnation then proceeded to court where a jury decision specified that instead of the 20 acres that were required for the RPZ (Runway Protection Zone), the airport would have to acquire 130 acres. They awarded the same cost per acre that we were offering, for the entire 130 acres. According to federal law, the airport had to pay for the per-acre cost for the entire property, and retroactive interest from when the taking was determined.

The court determined that the taking was in 2003, so the airport accrued simple interest on the entire award for the property value. Adding that together and taking another one-third for attorney fees, court costs and expert witness fees, totaled \$1.2 million. We are attempting to help the airport with the costs to comply with the court order.

Chairman Kavalhuna asked about the progress, and what can be expected as to the amount of help from the individual government entities, to pay that judgment. Mr. Baker said we have not received the final written judgment. What we have received is from the



attorney representing the airport. It is their opinion on the judgment as was read in court. We haven't seen the official language. Most judgments like this case must be paid within 30 days. We are expecting the written judgment at the end of the month. We are asking the Commission for approval to issue a sponsor contract to cover the anticipated costs. The airport has, in its entitlement account, approximately \$600,000 in federal funds available; we have been asked to secure additional federal funds, and use state apportionment, to make up the difference.

Chairman Kavalhuna said he would support the sponsor contract. His questions are derived from the point of understanding the process.

Mr. Baker then discussed whether or not this is a typical or atypical case.

Vice Chair VanderVeen asked Mr. Baker to confirm that the terminal building will be postponed due to this issue. He also questioned the crack sealing and paint marking. Mr. Baker confirmed the terminal is on hold and the sealing and marking would occur, to keep the runway in an operating condition.

Commissioner Heather asked Mr. Baker about the actual appraised value of the property. Mr. Baker said the original appraised value, for the initial 20 acres was \$191,000.

Chair Kavalhuna indicated there are no further questions on the Beaver Island Airport, and asked Mr. Baker to continue with his presentation.

5. Antrim County Airport, Bellaire
6. Lakes of the North Airport, Gaylord
7. Grand Haven Memorial Airport, Grand Haven
8. Grosse Ile Municipal Airport, Grosse Ile
9. Ionia County Airport, Ionia
10. Gogebic-Iron County Airport, Ironwood
11. Twin County Airport, Menominee
12. St. Clair County International Airport, Port Huron
13. Three Rivers Municipal – Dr. Haines Airport, Three Rivers
14. Oakland/Troy Airport, Troy
15. White Cloud Airport, White Cloud

At the conclusion of the report Chairman Kavalhuna thanked Mr. Baker.

Chairman Kavalhuna asked to make a record of potential action. He indicated that Vice Chair VanderVeen will be abstaining from any votes regarding funding of Oakland County Airports; at a past meeting his reason was made clear as to avoiding any potential conflict of interest. Chairman Kavalhuna supports this action.

Chairman Kavalhuna entertained a motion to approve contracts 1 – 15 as presented by Mr. Baker. Moved by Commissioner Adams and supported by Commissioner Collins to approve contracts 1 - 15, as reported.



Vice Chair VanderVeen thanked Chairman Kavalhuna for pointing this out; he will be consistent with abstaining under these circumstances. He offered a friendly amendment to the motion, to approve contracts 1 – 13 and 15. This friendly amendment was supported by Commissioner Adams. There was no further discussion. The motion passed unanimously.

Chairman Kavalhuna then entertained a motion to approve contract No. 14, Oakland/Troy Airport, Troy, Michigan. Moved by Commissioner Adams and supported by Commissioner Collins to approve contract No. 14 as presented. All voted in favor with Vice Chair VanderVeen abstaining.

Commissioner Heather asked Mr. Baker in terms of an airport, like Menominee/Marinette, where it is a shared airport with another legal jurisdiction, do they receive any compensation from any entity in Wisconsin to help support the airport? Mr. Baker is not sure about the Menominee/Marinette Airport, but he does know that for the Gogebic/Iron County Airport, Iron County is in Wisconsin. Iron County in Wisconsin provides 50 percent of the local share. The State of Wisconsin has volunteered to provide that amount, provided they are part of the planning and grant process.

#### C. Airport Approach Plan – Shady Lane Airport, St. Johns

Chairman Kavalhuna discussed the procedure for this type of request. He asked Mr. Linn Smith to give his report.

Mr. Smith directed the Commissioners to Exhibit C in their notebooks, which is for the Shady Lane Airport, a newly licensed airport near St. Johns. This particular plan is a little different than a zoned airport; it will be used in a local zoning ordinance. It does include land use protections and height restrictions as per FAA part 77. This is our standard airport approach plan for all publicly licensed airports in the state to be used by the local government, not in an airport zoning ordinance. The Commission is asked to approve their airport approach plan under section 151 of the Aeronautics Code of the State of Michigan, which is the state plan for approach protection areas.

Chairman Kavalhuna entertained a motion to approve the airport approach plan as presented by Mr. Smith. Moved by Commissioner Adams and supported by Commissioner Heather to approve the plan as presented. Chairman Kavalhuna added that he would be supporting the motion as he believes it is an important aspect that the Office of Aeronautics provides to local communities. The motion carried unanimously.

#### D. Airport Approach Plan – Tri-City Area Airport Zoning Ordinance

Mr. Smith indicated that exhibit D in the packet is for the Tri-City Area Airport Zoning Ordinance, airport approach plan. This ordinance covers four airports, MBS International Airport in Saginaw, Saginaw County H.W. Browne Airport in Saginaw, Jack Barstow Airport in Midland, and James Clements Airport in Bay City. Mr. Smith



gave background information on this zoning ordinance. This situation is three different counties protecting all four airports under one ordinance. They do have the ability to grant variances to this ordinance. The Commission's role is to approve the height and land use restrictions. An entity that has an airport zoning ordinance under its own airport zoning act cannot approve its own height standards. It is the role of this Commission to approve those heights standards, and it creates uniformity through the state. Aero has been working with the Tri City Joint Airport Zoning Board, which Mr. Smith is a member, due to the way the ordinance was originally formed. The board looked at the guidelines that were used in 1969, and created a new plan. A copy of this is included in the packet.

The premise of this is the Commission is being asked to approve an airport hazard area, and the height restrictions within that area. The hazard area has not changed from the original commission-approved area from 1969. Aero is asking for an amendment to the height restrictions from within. We have used our current height protections, which meet the standards we use for most airports throughout the state. This is a very typical height protection. Mr. Smith thanked Mr. Neal Barncard for his work on the maps outlined in the commission books.

The second part of the airport approach plan is the land use guidelines. Details for this part were also included in the Commission books. All four airports did have current airport layout plans that they felt comfortable with in moving forward with the height restrictions. Also in the ordinance are land use guidelines and restrictions.

Chairman Kavalhuna confirmed that the commission action today is needed because there is an amendment to what was previously promulgated. Mr. Smith responded saying this is correct. The amendment is for the height restrictions and land use guidelines, to bring them under purview of the Michigan Tall Structures Act, and the FAA requirements that are replicated in the state code. Mr. Smith responded saying yes; this is a very good blend of them.

Vice Chair VanderVeen asked for clarification on the land use portion. He indicated that police power is given to local units of government to determine their land use. Does the state have the right to veto or over-rule the local governments and land use zoning? Mr. Smith said the way the Airport Zoning Act was constructed, it does not give us the power to over-ride it; but it does give us our own separate opinion. If the property had been zoned prior to this airport approach plan, and subsequent zoning ordinance amendment was adopted, then that zoning right from the local entity still holds true. However they can't make it any more inconsistent. At this point, whatever zoning is in place will be grandfathered in. This does not restrict the use of property; but from this time forward, they can't make it any more inconsistent with any airport zoning regulations or any airport approach plan.

Chairman Kavalhuna asked if this is approved by the Commission and forwarded on to the Tri-City Joint Airport Zoning Board, is it true that they have to take action after us? Mr. Smith said yes, that is correct. Chairman Kavalhuna confirmed that we are giving



them advice and that they are the local legislative representatives that enact or modify based on our recommendation. Mr. Smith said yes. Commission Kavalhuna said they can change that, except for they couldn't go more restrictive than they did in the past; that is bound by the state legislature. Mr. Smith said this is correct. He added that the joint airport zoning board would still have a public hearing, and then they would amend their ordinance to conform to the Commission-approved airport approach plan. Under the Airport Zoning Act, they are bound by law to do so.

Chairman Kavalhuna entertained a motion to approve the airport approach plan for the Tri-City Area Airport Zoning Ordinance. Moved by Commissioner Adams and supported by Commissioner Collins to approve the plan as presented by Mr. Smith.

Chairman Kavalhuna expressed his reasons for supporting this plan. He asked Mr. Smith to point out if any of his suppositions in his support are incorrect. He understands Vice Chair VanderVeen's concerns and he actually shares them. He understands what Mr. Smith is suggesting to us; we will be handing down a recommendation to a local authority which is representative of its community. That board would then have to take action to put the restrictions on the land owners in that community, by following our recommendation. Mr. Smith clarified that it's not one airport authority overseeing this; the board is made up of three members from each county appointed by the county commissioners, and one representative from the State of Michigan.

Chairman Kavalhuna does support this; however he also respects and understands the concerns of Vice Chair VanderVeen. He asked for Commission support. Hearing no further questions or comments, Chairman Kavalhuna called for the vote. The motion carried unanimously.

Chairman Kavalhuna thanked Mr. Smith for his report.

#### E. General Aviation (GA) Committee.

Chairman Kavalhuna is excited about the reestablishment of the General Aviation (GA) Committee, after today this will be referred to as the General Aviation Special Committee of the MAC.

When he became Chair, he made it known that he thought we could do more to reach out to the community, and at least hear their concerns and maybe educate the Office of Aeronautics and the FAA, and any other agency that has a role in GA on their concerns. He also feels this would be a good way to showcase what we have in the state, which is our aviation infrastructure.

In the past, this Commission had a GA Subcommittee (referred to as a Special Committee in the By-Laws), which did exactly what he described, a liaison between the Commission and the Office of Aeronautics. In referencing the Commission By-Laws, the Chair is authorized to make unilateral decisions, to reconstitute this committee, and give it duties.



After Chairman Kavalhuna realized he had that authority, he polled the appointed Commissioners about their support and ideas, receiving positive feedback. His first order of business is to describe what he feels the GA Subcommittee should do, and will make a non-binding resolution to ask for support from the Commissioners.

He suggested the newest appointed member of the Commission, Pete Kamarainen, to Chair the committee. He also gave some suggestions on the responsibilities. This committee should meet during the month in which the MAC meetings are not held, at a location the committee chair sees fit, and report back to the Commission as necessary. Chairman Kavalhuna gave some suggestions as to how the Commission can benefit from the GA committee. One suggestion is to recognize the Michigan Aviation Hall of Fame. He would like the GA subcommittee to solicit nominations for the Michigan Aviation Hall of Fame.

One question is what can this Commission do to help give aviation a boost, both economically and socially, in our state. He feels the GA committee can extend a hand to educational institutions, FBOs, manufacturing areas, and travel industries to educate them on whether or not there are policies or other ways to work with the legislature and recognize ways to help Michigan residents through the GA committee. There are better ways in which the general aviation community can interact with the FAA. Sometimes, FBOs don't have a direct link to the FAA or district manager, etc. He is happy to be the messenger between them. These are only suggestions at this point.

Chairman Kavalhuna has asked the Office of Aeronautics staff to accomplish two things relative to this issue; the Commission recognizes the State is in a tough fiscal situation. He asks that Aero not have extraordinary expenditures of staff time and assets on this committee. He has been assured that this can be accomplished while still achieving our goals. One way to accomplish this is to add volunteers to the subcommittee. He recommends that Commissioner Kamarainen use the application form that was created by staff. He also asks that a diverse membership be created. He suggests that there be one staff member to assist; Rick Hammond is available, as he was involved with the previous GA committee. Other commissioners should be available to assist, keeping the Open Meetings Act in mind. Chairman Kavalhuna opened the floor for comments and questions.

Vice Chair VanderVeen supports the GA subcommittee. He has a number of issues to address, one of which is a conflict of policy within the Federal Government, between the FAA and the EPA on use of high octane lead fuel in airplanes.

Chairman Kavalhuna indicated the basis for his non-binding resolution.

Recommended statement establishing the charge of the GA Committee:



“General aviation is a major contributor to the economic development of communities throughout Michigan. For many years now the health of general aviation has suffered for a variety of reasons and its growth potential has been constrained.”

“The General Aviation Committee is charged with the responsibility of identifying and recommending new Commission initiatives that may be implemented to foster and promote general aviation growth and development in Michigan.”

Chairman Kavalhuna asks the Commission to consider a non-binding resolution for support of the GA subcommittee. He asked the Commission for approval of his recommendation to appoint Commissioner Kamarainen to chair the GA subcommittee. All acknowledged in favor of his resolution.

#### F. Draft Meeting Schedule for 2012.

Chairman Kavalhuna indicated that we hold six meetings per year, one of which is outside of Lansing. He suggests that the May 16, 2012 meeting also be held outside of Lansing. It is his intent to visit the Battle Creek area. He entertained a motion to amend the draft schedule to change the location of the May meeting to be determined. Moved by Commissioner Adams and supported by Vice Chair VanderVeen to accept the meeting schedule for 2012 with the location for the May meeting to be determined. The motion carried unanimously.

### III. REPORTS

#### A. Director's Report

Chairman Kavalhuna asked Director Trout to give his report.

Director Trout began his report by outlining the contents:

- What's Happening
- Section Reports
- Budget Update
- Recent Events
- Upcoming Events
- Recognitions

#### Federal Issues

Director Trout indicated that there have been 22 continuing resolutions since the last AIP/FAA reauthorization expired. The current extension runs through March 31, 2012. As of yesterday it is being reported that negotiators have agreed to a final agreement for DOT/FAA funding for the fiscal year 2012. The AIP is targeted at \$3.35 billion, which is a \$165 million reduction from the \$3.515 billion level, where we now are. They are expected to vote on that this week. The current funding extension expires November 18.





As noted, the agreement provides \$3.35 billion for AIP for fiscal year 2012. The final agreement includes a total of \$193 million for EAS, which is \$43 million above the \$150 million recommended by the house. It prevents a local cost-share and limits eligibility to communities that received service during fiscal year 2010. It repeals the requirement for the use of 15-seat aircraft.

Small Community Air Service Development Program provides \$6 million in AIP funding for the program, which is the same amount as this year.

### FAA

The FAA delivered the final briefing to NASAO members on the Airport System Strategic Evaluation Task (ASSET) on November 3. They discussed the process for arriving at the classification system.

FAA is undertaking a formal review of the state block grant program. We are scheduled to be visited by Delta Consultants early next year to review our program.

Director Trout explained NextGen, which is an umbrella term for the on-going transformation of the National Airspace System. It represents an evolution from a ground-based to a satellite-based system of air traffic management. This allows aircraft to fly closer together, which is a high priority for FAA. Part of what our concern is this system is being used to replace the VORs; which are being phased out. We are working with them on this issue; you may be hearing more about NextGen in the upcoming months.

### State Issues

Director Trout mentioned the Governor's Infrastructure Message: "Reinventing Michigan's Infrastructure: Better Roads Drive Better Jobs." Although this wasn't directed at airports, we were mentioned in the message. The Governor understands that infrastructure is a key to our reinvention as a state. Reinvestment and new investment will be required.

Michigan loses nearly \$3 million each day in the value of our transportation assets. That is \$1 billion lost every year. One dollar spent today to preserve a road or bridge can save us at least \$6 in the future. We continue to look for new ways to pay for this. The Governor did recognize the importance of airports, particularly to local communities. His message focused on economic development, which is something that we are focused on as well.

The House Appropriations Transportation Subcommittee asked members of the aviation community to participate in a legislative hearing; MAAE, MBAA, and Delta Airlines gave testimony to the committee on the importance of aviation and the need for additional funding. Delta Airlines emphasized the need to reduce all taxes in Michigan.



Director Trout mentioned that the name for Tulip City Airport in Holland has been changed. The new name is the West Michigan Regional Airport.

Director Trout has asked Aero staff to compile statistics from their respective areas. Director Trout feels it is important for the commission to know exactly what we do, and what it means. For the Project Management Section he mentioned new projects, statewide paint marking, statewide crack sealing, Pavement Condition Index, and tall structures. For the Program Management Section, he discussed grant closeouts, sponsor contracts and capital outlay. This year we awarded \$24 million in sponsor contracts. For the Safety and Transport Section he mentioned pilot seminars, airport inspections, AWOS, maintenance, licensing aircraft registration aircraft dealers and flight ops.

Director Trout then discussed the budget. We continue to work on the final numbers for FY 2011. This year, our revenues are up a little. Fuel tax revenue is also up in 2011, but is down a little from our five year average.

He spoke of the \$6 million parking tax. It pays for the Airport Safety and Protection plan. This program will go until 2031. Our debt service will begin to rise after 2014, which is a concern that we need to be aware of, right now. While it does fluctuate for the next couple years we will be ok, but as we go forward this will affect our ability to match federal funds, and we will have to make some hard decisions; or we'll have to find new revenue.

#### Recent Events

Director Trout spoke of the Grand Opening for the Southwest Michigan Regional Airport Runway Safety Area Improvements. This was a significant project; he commended their staff for their work on the project.

Director Trout also attended the reception for Commissioner Adams who was recognized for his many years of service to Battle Creek Unlimited.

Director Trout, along with some staff members, attended the FAA conference in Chicago in early November. The conference was very productive. He had a chance to address the entire crowd to brag about Michigan. He also met with FAA staff from Washington, Chicago and Detroit to discuss opportunities and challenges for the state.

#### Upcoming Events

The State Transportation Commission meeting will be held on Thursday, November 17.

A retirement open house honoring Jim Koslosky, Airport Manager for the Gerald R. Ford International Airport, is scheduled for Thursday, December 15 at that airport.



The GLIAC conference is scheduled for January 20-21, 2012 at Eastern Michigan University.

The next MAC meeting is scheduled for Wednesday, January 25, 2012 in Lansing.

Director Trout indicated there will possibly be a General Aviation Committee meeting in December.

### Recognitions

Chairman Kavalhuna recognized Director Trout and his administration for the recent reduction in costs by ending the practice of mailing MAC agendas and minutes. With today's technology this information is now available on line. This move will also save significant staff time.

Director Trout introduced Brett Whitmore, who was recently hired as a project manager, replacing Mark Dontje.

Michelle Duncan was also recognized for serving 25 years with the State of Michigan.

MDOT Director Kirk Steudle was recognized for being named AASHTO President for 2012.

MAC Chairman Russ Kavalhuna was recognized for being selected by Michigan Lawyers Weekly as "Up and Coming Lawyer for 2011."

Director Trout asked Chairman Kavalhuna, Vice Chair VanderVeen to join him at the podium to make a presentation to Jim Koslosky, Airport Director at the Gerald R. Ford Airport in Grand Rapids, who has announced his retirement at the end of the year.

Chairman Kavalhuna began the presentation saying as a resident of Grand Rapids and as a former student pilot, flight instructor, airline first officer and airline captain, he finds pride in the airport in his community. He always marveled at the professionalism and expertise shown at the Gerald R. Ford International Airport. For the past 22 years, that excellence is directly related to the stewardship shown by Mr. Koslosky. He sincerely regrets not being able to attend the upcoming retirement open house. He is very appreciative of Mr. Koslosky's service to the state, to his community, and his aviation community. As Commission Chairman, we are very grateful of his service.

Vice Chair VanderVeen spoke of the 22 years Mr. Koslosky spent as airport manager; he has been very active at the state and national level. He served for years as the legislative representation for the Michigan Association of Airport Executives. He served as national chairman of the American Association of Airport Executives, and received numerous awards for distinguished service. He congratulated Mr. Koslosky on his contribution to aviation.



Director Trout asked Mr. Koslosky to join him at the podium; he presented him with a proclamation.

Mr. Koslosky addressed the Commission saying he appreciates the recognition, saying that being recognized by your peers is the highest level of compliment that one can receive. He mentioned his background and introduction into aviation. He challenged the Commission on two levels. First is the federal budget situation, and what that will do to our airport funding. Second, on the commercial aviation side and the airline service side, we should expect further consolidation in the industry and loss of service to smaller communities. The essential air service (EAS) program is jeopardized due to the federal budget situation. He thanked the Commission.

Director Trout also presented Mr. Koslosky with a flight log from 2006, given by MDOT Director Kirk Steudle.

#### IV. DISCUSSION

##### Aviation Hall of Fame/Historical Markers

Chairman Kavalhuna indicated that he may discuss this issue with Commissioner Kamarainen and the GA Subcommittee prior to a report being given to the Commission. We are not yet in a position to discuss this.


#### V. PUBLIC COMMENT

There was no public comment.

Chairman Kavalhuna thanked everyone for attending.

The meeting was adjourned at 11:35 a.m.

  
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Director

  
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Chairman

Dated 1/25/12

